1 Introduction

1.1 As the national representative body for housing associations and co-operatives in Scotland, the SFHA welcomes the opportunity to respond to the Local Government and Regeneration Committee’s call for written evidence on the delivery of regeneration in Scotland.

1.2 Housing associations and co-operatives in Scotland own, manage and maintain 46% of the country’s affordable rented housing stock and 11% of the total stock. This represents 274,996 homes across Scotland. In addition, they provide a range of broader tenancy sustainment and community regeneration services across the country, from the most densely urban to the most remote rural communities. They operate in some of the poorest communities in our country.

1.3 Housing associations and co-operatives are significant drivers of regeneration in Scotland today, of both place and people, with bricks and mortar regeneration working hand in hand with economic, social and environmental regeneration in deprived areas of Scotland.

1.4 This evidence outlines our response to the specific questions posed by the Committee.

2 Response to Specific Themes of Interest

Q1. How can the linkage between the various strategies and policies related to regeneration be improved?

2.1 The SFHA believes that the Scottish Government must work towards an objective of encouraging collaboration and input from various bodies with a view to eradicating silo working. This collaboration would involve consulting with specialist organisations working in the field of regeneration such as SURF; those organisations working to help communities grow such as Development Trusts, and most importantly organisations such as housing associations which have both experience and skill in undertaking regeneration work in some of Scotland’s poorest communities. Alongside this there should be better joint working between Scottish Government departments to provide leadership and confidence to those working in regeneration. The one, high level objective of creating sustainable communities should be the main focus.

Q2. Can physical, social and economic regeneration really be separate entities? The Committee would find it useful to hear about projects distinctly focussed on one or more aspects, and the direct and indirect outcomes of such activity.
2.2 It is the SFHA’s view that physical, social and economic regeneration should not and cannot be separate entities. Even in specific regeneration projects, there will and should be elements of all three entities to ensure a rounded project.

2.3 There are, of course, examples of regeneration projects with a core focus on at least one of the entities mentioned, but it is our view that elements of all must be evident to ensure a successful project. We have provided examples of these in previous evidence to the Committee in October 2012. We would urge the Committee to look at Fairfield Housing Association, which developed sustainable, energy-efficient homes in partnership with the community; Ore Valley Housing Association, which has developed shops, a community business centre and a learning facility; West Whitlawburn Housing Co-operative, which has provided a Community Regeneration Centre providing tenants with digital broadband, and Cassiltoun Housing Association whose activities include a nursery and Children’s Garden. All of these provide good examples of small scale, community-led organisations taking over failing stock and improving it in conjunction with a community led, social enterprise ethos.

Q3. Are we achieving the best value from investment in this area? If not, how could funding achieve the maximum impact? Could the funding available be used in different ways to support regeneration?

1.4 As we have highlighted in our previous evidence to the Committee, the SFHA is concerned about the lack of take-up of available European Funds. SPRUCE is available to fund renewable projects (such as district heating schemes, small scale wind and hydro, and renewable heat) where the loan could be re-paid through the Feed-in Tariff and the Renewable Heat Incentive. However, as we have said previously, the loan would work better for this purpose if the repayment period was 20 or 25 years, rather than 10-12 years. Also, as mentioned in our previous evidence to Committee, the non-fit of SPRUCE as investment in the fabric of buildings must also be recognised.

2.3 It would be extremely helpful if, in addition to SPRUCE, a percentage of Scotland’s European Regional Development Fund (ERDF) allocation was set aside to fund energy efficiency improvements in existing social homes. This approach has been successful in both France and Wales and would have three major benefits:

1 SFHA (October 2012), Evidence to Local Government and Regeneration Committee to inform its scrutiny of the Draft Scottish Budget 2013-14, para. 2.4. Available at http://www.scottish.parliament.uk/S4_LocalGovernmentandRegenerationCommittee/Inquiries/21.__S FHA.pdf (accessed 15th March 2013)

• Lift tenants out of fuel poverty;
• Reduce carbon emissions, helping Scotland to meet its Climate Change targets in 2020 and 2050;
• Provide a major economic stimulus as a major retrofit programme would be labour intensive, creating jobs and training.

We know that the Scottish Government will be responsible for the design of the next tranche of EU Structural Funding programmes, so will be in an excellent position to promote this. In our view, using ERDF to fund retrofit would lever in a greater share of Energy Company Obligation to Scotland.

2.4 Housing associations and co-operatives are ideally placed to combat climate change while stimulating the economy. While they have the most energy efficient housing by tenure in Scotland, rising fuel bills mean that more investment is required to reduce fuel poverty. The SFHA believes that our sector is ideally placed to lead on a programme of retrofit of existing homes, having

• Large groupings of houses;
• Expertise in project and asset management;
• Financial expertise;
• Trusted status as community anchors.

2.5 In order to lead on these programmes and address climate change while creating jobs, however, housing associations and co-operatives need funding. In addition to increased investment in energy efficiency from the Scottish Government, the SFHA is calling on the Scottish Government to direct EU Structural Funds to fund area based investment in retrofit measures to increase energy efficiency and fund the installation of renewables. Also, European Social Funding could be used to provide training programmes to help 16-25 year olds and the long term unemployed to access jobs in this industry. Housing associations, housing co-operatives and energy social enterprises could facilitate such programmes and schemes. This approach is vital if the Scottish Government is to achieve its targets on tackling fuel poverty and carbon reduction. The Scottish Government’s proposed Energy Efficiency Standard for Social Housing, in particular, will require significant investment in housing association and co-operative homes by 2020.

2.6 The community benefit to be gained from renewables cannot be understated, in both economic and social terms, and in how it can help empower communities. The SPICe Briefing on Renewable Energy and Community Benefit provides information


on the voluntary Community Benefit Register (where information on payments received by communities can be recorded, with around 60 examples recorded to date). The SPICE Briefing also provides examples of the types of community benefits enjoyed by communities in light of these payments, including job creation and local energy efficiency initiatives.

2.7 The generation of renewable energy provides an opportunity for poorer communities to have a stake in community assets and to create a source of income. A recent report by the Economy, Energy and Tourism Committee of the Scottish Parliament found that while Scotland was making good progress towards meeting its 2020 renewable energy targets, more could be done to ensure that communities benefit from the income generated from renewables.\(^5\) While the Warm Homes Fund will help by supporting the development of renewables by housing associations, we would like to see further steps taken to ensure that poor communities benefit more from Scotland’s renewables boom. We believe that the Scottish Government should invest in building capacity in fuel poor communities by funding development workers to support poor communities who could benefit from either developing, or taking a stake in, renewables.

**Q4 – What delivery mechanisms, co-ordination of, and information on the funding that supports regeneration are required, to facilitate access by all sections of the community?**

2.8 SFHA is aware that Scottish Government officials are discussing the potential to establish a centrally managed website, accessible by all. SFHA supports this. We also believe that more use should also be made of the existing network of Development Trusts, who can provide the funding information that is vital to regeneration projects across Scotland.

**Q5 – Should funding be focussed on start up or running costs? What is the correct balance between revenue and capital funding? Please indicate reasons for your view.**

2.9 It is the SFHA’s view that this will vary from individual project to individual project.

**Q6 – How can it be ensured that regeneration projects are sustainable in the long term?**

2.10 Each project requires an exit strategy, agreed at the point of deciding on using public (or other) funding to support a regeneration project. Each project should also have a suitable evaluation mechanism to show evidence of physical, social and economic regeneration. Also, the Scottish Government has a role in liaising with

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other potential funders and other agencies to ensure projects have as many funding options and sources of support available as possible.

**Q7 – What actions could the Scottish Government’s forthcoming community capacity building programme include to best support communities to ‘do regeneration’ themselves?**

2.11 As we said in our response to the Community Empowerment and Renewal Bill consultation, we agree that communities could and should play a bigger role in how their areas are shaped, and that many will need capacity building support to be in a position to take on this role. Time will be a major factor in helping many communities grow to take on this mantle, as will funding to support capacity building. There will be a growing reliance on community anchors such as housing associations and co-operatives to provide this support, increasing the existing pressures on staffing and workload. It is vital that housing associations and co-operatives have access to funding to support community capacity building. Up until now, their presence in communities has been relied upon to provide this service without specific funding support.

2.12 As we have said in our response to Question 3 above, poorer communities can benefit substantially from community energy by buying into renewables projects. However, they require information and advice on funding to help them access renewables projects.

**Q8 – What role should CPPs play in supporting the community in regenerating their communities?**

**Q9 - How can CPPs best empower local communities to deliver regeneration? Please provide any examples of best practice or limitations experienced that you think the Committee would find useful in its scrutiny?**

2.13 We have referred in our response to the Community Empowerment and Renewal Bill consultation to the inconsistent approaches around the country to the inclusion of housing associations and co-operatives in Community Planning Partnerships. This needs to be addressed through the further development of the CCP framework if it is to be a mechanism for delivering effective community empowerment and renewal.

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6 SFHA (September 2012), Response to the Scottish government’s consultation on a Proposed Community Empowerment and Renewal Bill. Available at http://www.sfha.co.uk/component/option,com_docman/Itemid,106/gid,448/task,cat_view/ (accessed 15th March 2013)

7 SFHA (September 2012), Response to the Scottish government’s consultation on a Proposed Community Empowerment and Renewal Bill. Available at http://www.sfha.co.uk/component/option,com_docman/Itemid,106/gid,448/task,cat_view/ (accessed 15th March 2013)
Q10 – How can the outcomes of regeneration truly be captured and measured? What are the barriers to capturing outcomes and how should the success or regeneration investment be determined?

2.14 The initial evaluation methods employed by funders and projects alike need to be sufficiently robust to capture everything that a regeneration project has set out to achieve. All outcomes should be evaluated: direct and indirect; hard and soft.

3 Conclusion

3.1 The SFHA wishes to continue to emphasise that housing associations and co-operatives are significant drivers of regeneration in deprived areas across Scotland and this has been the case for several decades.

3.2 In this light, the SFHA wishes to see more investment targeted at housing associations and co-operatives to support them in their very successful work on regeneration and creating sustainable communities.

3.3 The Committee will also wish to consider our comments regarding the SPRUCE Fund with particular reference to the lack of take-up, length of pay back periods and the non-fit of SPRUCE as investment in the fabric of buildings, the role SPRUCE could have in funding renewable projects (alongside funding from ERDF), and the varied benefits this could bring.

3.5 As recognised community anchors, housing associations and co-operatives are well placed to work closely with the Scottish Government in ensuring their Regeneration Strategy (which was launched in December 2011) is implemented.

3.6 We have sought to make the following general points in our evidence:

- The collaborative approach is recommended in this instance to ensure regeneration is understood by all, and can be easily accessed by interested communities;
- Physical, social and environmental regeneration initiatives cannot be implemented separately: they work together;
- More could be done to encourage community take up of European monies, with particular emphasis in providing the means for communities to access resources;
- More could also be done to ensure poorer communities benefit from the renewables boom;
- A centrally managed website would assist communities greatly, especially if linked up with other possible funders;
- Appropriate exit and evaluation strategies are necessary to ensure project value for money in delivery, and to assist in project sustainability;
- Community capacity building is paramount, by working with suitable community anchors to assist communities to achieve their regeneration goals;
- More has to be done to ensure Community Planning Partnership have appropriate membership and some level of uniformity upon which they can be evaluated and appraised, so that they can be better involved in the regeneration process in communities.